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USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: CENTRE FOR
DEVELOPMENT OF ADVANCED COMPUTING, PUNE, LICENSE NO. D349565

REF: USDOC 04800

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Export Control Officer (ECO) Michael Rufe and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at the Centre for Development of Advanced computing (CDAC), Pune, on October 6, 2006.

¶3. BIS requested a PSV at CDAC, a GOI entity under the Ministry of Communications and Information Technology (MCIT). CDAC was listed as the ultimate consignee for one Model LS-CPU-A350-95 upgrade to an existing 24-CPU Altix 350 for total of 32 CPUs with total MTOPs of 235,480 controlled under ECCN 4A003. The license applicant was Silicon Graphics Inc. (SGI), Mountain view, CA.

¶4. Rufe met for approximately 2 hours with Dr. Pradeep Kumar Sinha (Sinha), Chief Coordinator-R&D, S.P. Dixit (Dixit), Programme Coordinator (HTDG), Dr. Daveson Sonawadi, Deputy Coordinator, Bioinformatics Scientific & Engineering Computing Group, C.M. Kulkarni, Senior Purchase Officer, and Prashant Teli, Member Administrative Staff, Material Management Group, CDAC. The meeting was facilitated by Deputy Secretary (AMS) Viraj Singh (Singh), Ministry of External Affairs (MEA), GOI. Singh was also present at the meeting.

¶5. This was the first USG or BIS official visit to CDAC's headquarters in Pune. On June 2, 2006, the ECO conducted a Pre-license Check (PLC) at the CDAC Thiruvananthapuram facility for pending BIS export license D354394. CDAC officials were not aware of the BIS export license conditions. SGI did not provide license conditions to CDAC. ECO requested CDAC obtain a copy of the license conditions from SGI. The CDAC officials provided a copy of the CDAC Purchase Order, SGI Shipping Invoice, CDAC End-Use statement, CDAC Material Receipt Note, SGI Corporate Export Compliance questionnaire, CDAC certifying that CDAC will not use the Altix 350 server to support nuclear activities, missile technology, chemical and biological technology and no remote access to the system.

¶6. Dixit made a slide presentation on various CDAC activities. Dr. Sonawadi made a presentation on the end-use of the Altix 350 server with 32 processors. The eight processors were imported to upgrade the existing SGI Altix 350 server with 24 processors making it to 32 CPUs. Four bricks containing two processors each, were added to the existing Altix 350 server.

¶7. Dr. Sonawadi confirmed the stated end-use of the upgraded SGI Altix 350 server as the backend computer server for research and development projects in the area of bioinformatics. The software

programs running on these systems are Amber, Charmm, SW, and MEME supporting research in bioinformatics. To support bioinformatics research, biological data is analyzed to provide structural and functional information on unknown genes or proteins, reconstructing metabolic pathways for detecting drug targets using various computational tools, comparative genomics methods and micro-array data analysis. CDAC's Bioinformatics Team deals with the development, porting and optimization of codes on PARAM, a parallel supercomputer developed by CDAC, in the above areas and for mining large genomic databases, large molecular dynamics simulations, comparative genomic studies and gene expression data analysis.

18. The Altix 350 server and computer terminals connected to it are operating in an electronically secured area. The User Section Head and his backup have access to the server area. Approximately 10 CDAC personnel use the computer terminals connected with the Altix 350 server in the Bioinformatics Section. Dr. Sonawadi provided a sample computer-generated usage log. Dr. Sonwadi stated that remote access is not allowed. The systems can only be accessed in the CDAC building. The passwords to access the system are changed on a monthly basis. CDAC confirmed their compliance with the Security Safeguard Plan (SSP). After the meeting the ECO was offered a brief tour of the computer room and was able to record the server serial numbers.

19. Established in 1987, CDAC is the major GOI-owned organization in the IT industry, under the administrative control of the Department of Information Technology (DIT), MCIT. CDAC is primarily an R&D institution involved in the design, development and deployment of advanced information technology based solutions. CDAC's major activities include high performance computing and communication for scientific and business applications, networking, turnkey solutions for power, telecom, health and financial market, geomatics, bioinformatics, and e-governance. In order to create high quality manpower in the IT industry, CDAC offers advanced computing courses

through its various franchise partners. CDAC customers include, various Central Government departments, State Governments, Indian railways, MOD and the manufacturing industry. It also renders services to foreign customers that constitute a 25 percent share of CDAC's customer base. CDAC has approximately 14 laboratories in 10 locations. The Pune facility's core activities are high performance computing, multilingual computing and training and education. They employ approximately 2,100 personnel including 600 at Pune Headquarters.

19. Recommendation: All indications were that the listed commodities are used in accordance with the terms of the export license and that the Centre for Development of Advanced Computing appears to be a reliable recipient of sensitive U.S.-origin technology for this transaction. (MRUFE) Pyatt